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DEPARTMENT OF DEFENSE

Department of the Air Force

Revision to Military Freight Traffic Unified Rules Publication (MFTURP) NO. 1,

Section F, Air Transportation Service Provider Rules and Domestic Air Tender Freight

Carrier Registration Program (FCRP)

AGENCY: Department of the Air Force, Department of Defense.

SUMMARY: On September 3, 2014, Air Mobility Command (AMC) published a 30-day public notice in the Federal Register (Federal Register Volume 79, Number 170, Docket No. 2014-20877) to invite public comment on the intent to change Domestic Air Tender Policy within MFTURP No.1 to restrict registration in the FCRP for Domestic Air Tenders to Civil Reserve Air Fleet (CRAF) Transportation Service Providers (TSP) only. At the end of the 30-day comment period, AMC received five responses from transportation industry professionals ADDRESSEES: AMC/A4TC, Commercial Services, email: org.amca4-67@us.af.mil.

FOR FURTHER INFORMATION CONTACT: AMC/A4TC, Commercial Services Team, (618) 229-4684, THOMAS J. TRUMBULL II, Colonel, USAF, Chief Air Transportation Division SUPPLEMENTARY INFORMATION: Detailed Comments and Responses

1. Commenters asked for a definition of CRAF. CRAF is a voluntary program through which the nation's airlines provide stand-by commitments of aircraft and crews to support mobilization as a supplement to organic airlift capacity. As an incentive to participate in the CRAF program, air carriers that participate in the CRAF are entitled to participate in the award of DOD's peacetime airlift requirements. A series of presidential executive orders and memoranda of understanding, the first of which was signed December 15, 1951 formalized

- the CRAF program. The National Airlift Policy, released in July 1987, reinforced the need for and use of the CRAF program.
- 2. Commenters expressed concerns with decreased competition and performance, as well as increased cost. Currently, 24 airlines participate in the CRAF program. Competition will continue to exist among CRAF participants as CRAF carriers maintain a commercial network to support and regularly provide commercial less-than-planeload cargo service. Under the policy change, CRAF participants may associate with and use services provided by an agent to meet commercial less-than-planeload service requirements with no limitations placed on the number of agents per CRAF participant. The Government expects fair and reasonable costs under the policy change, since competition will exist within the group of CRAF participants and published rates are readily available.
- 3. Commenters expressed concern about a negative impact to small business. The Government understands the importance and appreciates the contributions of small businesses. CRAF carriers will have the opportunity to utilize agents, expected to comprise principally small businesses of the sort currently involved in domestic air tender performance, and are encouraged to develop relationships with small business transportation service providers.
- 4. A commenter expressed agreement with the proposed policy because it promotes continued carrier participation in CRAF at a time when other DOD program business is expected to significantly decline. The Government agrees the change will promote continued CRAF participation and supports keeping vital commercial airlift resources available as a mobilization base in the event of a national or military emergency.
- 5. A commenter stated that the other programs allocated to CRAF only are sufficient to ensure a healthy CRAF Program. Changes in operational areas and decreasing requirements cause

significant decline in business segments across DOD airlift and directly impact programs allocated to CRAF only. The policy change will promote continued CRAF participation as losses are experienced across business segments. Additionally, it will align domestic air tender policy with the long-standing international air tender CRAF eligibility policy.

- 6. A commenter stated the DOD should develop policies promoting small business cooperation. The Government fully supports the development of small business and utilizes small business throughout the DOD; however, the Government must also support the National Airlift Policy. National Airlift Policy provides that where appropriate, US policies shall be designed to enhance the mobilization base of the US commercial air carrier industry. During peacetime, DOD requirements for passenger and cargo airlift augmentation shall be satisfied by the procurement of airlift from commercial air carriers participating in the CRAF program, to the extent that DOD determines such airlift is suitable and responsive to military requirements.
- 7. A commenter recommended an impact study to determine effects of the intended change.

 The Government accomplished a business segment analysis, identified risks and opportunities, discussed policy options in a joint agency environment, and supports the intended effects the change will have on promoting CRAF participation.
- 8. Commenters presented stand-alone comments on other DOD programs and support they have provided to specific locations. The Government appreciates the support provided in other programs, but notes that the proposed policy is limited to the DOD domestic air tender program and will result in consistent eligibility requirements across all DOD air cargo programs.

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